

AMENDED IN ASSEMBLY APRIL 27, 2004

AMENDED IN ASSEMBLY APRIL 21, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## ASSEMBLY BILL

**No. 2847**

**Introduced by Assembly Member Oropeza**

February 20, 2004

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An act to add Division 19 (commencing with Section 40000) to the Streets and Highways Code, relating to motor vehicle fuel, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2847, as amended, Oropeza. Gasoline and motor vehicle diesel fuel fee.

The Motor Vehicle Fuel License Tax Law imposes a tax of 18¢ per gallon of fuel, and requires, if the federal fuel tax is reduced below the rate of 9¢ per gallon and federal financial allocations to this state are reduced or eliminated, that the tax rate be increased so that the combined state and federal tax rate per gallon equals 27¢. The Diesel Fuel Tax Law imposes an excise tax for the use of fuel at a rate of 18¢ per gallon, and requires that, if the federal fuel tax is reduced below the rate of 15¢ per gallon and specified federal financial allocations to this state are reduced or eliminated, the tax rate be increased by an amount so that the combined state and federal tax rate per gallon equals 33¢ per gallon.

This bill would also, until January 1, 2008, impose a ~~5¢~~ fee *of an unspecified amount* on each gallon of gasoline subject to the Motor Vehicle Fuel License Tax Law and each gallon of motor vehicle diesel

fuel subject to the Diesel Fuel Tax Law. The revenues from the fee would be deposited in the Highway Fee Fund created by the bill. The bill would require the fee to be imposed on those persons and entities subject to and would be collected pursuant to the same procedures set forth in the Motor Vehicle Fuel License Tax Law and the Diesel Fuel Tax Law. The bill would require revenues from the fee, except for refunds, to be used, upon appropriation by the Legislature, only to finance the maintenance, operation, improvement, and construction of the state highway and local street and road system, and to finance environmental programs that mitigate the air impacts of motor vehicles.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Division 19 (commencing with Section 40000) is added to the Streets and Highways Code, to read:

DIVISION 19. GASOLINE AND DIESEL MOTOR  
VEHICLE FUEL

40000. Notwithstanding any other provision of law, a fee of ~~five cents (\$0.05)~~ \_\_\_\_\_ is imposed, until January 1, 2008, on each gallon of gasoline subject to Part 2 (commencing with Section 7301) of Division 2 of the Revenue and Taxation Code and each gallon of motor vehicle diesel fuel subject to Part 31 (commencing with Section 60001) of Division 2 of the Revenue and Taxation Code.

40001. Revenues generated from the fee imposed in Section 40000 shall be deposited in the Highway Fee Fund which is hereby created in the State Treasury and, except for refunds of overpayments, may only be used, upon appropriation by the Legislature, to finance the maintenance, operation, improvement, and construction of the state highway and local street and road system, and to finance environmental programs that mitigate the air impacts of motor vehicles.

40002. The imposition of the fee in Section 40000 shall be as follows:

1 (a) The fee on gasoline shall be imposed on those persons and  
2 entities subject to, and shall be collected pursuant to the procedures  
3 set forth in, Part 2 (commencing with Section 7301) of Division  
4 2 of the Revenue and Taxation Code.

5 (b) The fee on motor vehicle diesel fuel shall be imposed on  
6 those persons and entities subject to, and shall be collected  
7 pursuant to the procedures set forth in, Part 31 (commencing with  
8 Section 60001) of Division 2 of the Revenue and Taxation Code.

9 SEC. 2. This act is an urgency statute necessary for the  
10 immediate preservation of the public peace, health, or safety  
11 within the meaning of Article IV of the Constitution and shall go  
12 into immediate effect. The facts constituting the necessity are:

13 In order to provide additional revenues for transportation  
14 purposes as quickly as possible, it is necessary for this act to take  
15 effect immediately.

